

**Before the
Federal Communication Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Sprint Corp. Petition for Declaratory Ruling)	
Regarding the Routing and Rating of Traffic)	CC Docket No. 01-92
By ILECs)	DA 02-1740

**Comments Of:
Fred Williamson and Associates, Inc. ("FW&A")
On behalf of:**

**Chouteau Telephone Company, an Oklahoma ILEC
H&B Telephone Communications, Inc., a Kansas ILEC
Moundridge Telephone Company, Inc., a Kansas ILEC
Pine Telephone Company, Inc., an Oklahoma ILEC
Pioneer Telephone Association, Inc., a Kansas ILEC
Totah Telephone Company, Inc., a Kansas and Oklahoma ILEC
Twin Valley Telephone, Inc., a Kansas ILEC
(Collectively, "ILECs")**

BACKGROUND

In this proceeding the Commission seeks comment on:

- Sprint's concern that BellSouth will not program its LATA tandem switches with Sprint's NPA-NXXs, where Sprint wishes to associate an NPA-NXX with a rate center of an ILEC other than BellSouth, and the rating and routing points are different.
- Sprint's contention that, in this circumstance, BellSouth would effectively require Sprint to interconnect directly with the ILEC whose rate center Sprint wishes to be associated with, rather than directly with the BellSouth LATA tandem switch serving the ILEC's end office.
- BellSouth's reply to Sprint's concerns and contentions that; (a) It is currently loading Sprint's NPA-NXXs, (b) It is not adversely affecting the routing of any Sprint traffic and (c) The rating and routing proposed by Sprint (where the rating and routing points are different) results in inappropriate intercarrier compensation.

When the rating and routing points are different, as proposed by Sprint, and BellSouth is the intermediate carrier of the CMRS traffic, BellSouth argues that the following questions must be resolved:

1. Does BellSouth provide Sprint with the equivalent of a virtual NPA-NXX?
2. Does BellSouth have to modify its tariff to provide the service Sprint requests?

3. Does a new interconnection agreement need to be defined, and appropriate charges for the service Sprint requests be established?

FW&A and the ILECs it represents have an interest in the outcome of this proceeding because a number of CMRS carriers, including Sprint, have requested similar rating and routing arrangements from the ILECs.

COMMENTS

In its petition, Sprint is proposing a virtual NXX service that would allow:

- A local telephone number associated with a Sprint switch (rating point) that may be in Oklahoma, in another state in the United States, or for that matter, in a foreign country, to be virtually assigned to an ILEC local switch (routing point).
- The ILEC would be required to allow any end user that is connected to their switch that dials the virtual number, to be routed via a third party carrier, such as SWBT or BellSouth, to the Sprint switch location where the number actually belongs, whether that is in Oklahoma, in another state, or in a foreign country, on a local-calling, toll free basis.

Allowing Sprint, or any other CMRS provider, CLEC or telecommunications carrier, to inappropriately assign numbers to an ILEC switch and to incorrectly require calls to those numbers to be routed beyond the ILEC's local calling area as local calls, will; (a) Destroy the current jurisdictional (local, intrastate, interstate and international) traffic distinctions by inappropriately classifying intrastate toll, interstate toll and international traffic as local and (b) Cause incorrect intercarrier compensation (local reciprocal

compensation rather than interstate or intrastate access) to be received by Sprint, as well as the intermediate transport provider (Bell South and/or any LEC/RBOC providing this function). In addition, currently, toll providers and Interexchange carriers (IXCs) are carrying the vast majority of this traffic under the auspices of approved tariffs. Allowing Sprint to arbitrarily change the jurisdictionality of the traffic, simply to expand the local calling scope of traffic destined for Sprint's end users, is anti-competitive and not in the public interest. For these reasons alone, the Commission should deny Sprint's petition.

Other reasons for dismissing Sprint's petition and adopting a rule that virtual NPA-NXX arrangements are inappropriate are:

- Sprint is seeking to require LECs to route traffic (on a local basis) to a LATA Tandem belonging to another carrier (usually operated by a regional Bell operating company – RBOC) without regard to the following: 1.) The fact that the LEC and the RBOC may not have any tariff and/or contractual basis for such routing; 2.) It may require the LEC and RBOC to incur construction and/or implementation costs without benefit of cost recovery from Sprint where LEC facilities either do not exist and/or must be augmented, changed or enhanced; and, 3.) Sprint either ignores and/or more likely is simply saddling the LEC with the on-going compensation requirements for the transiting/transport use of the RBOC facilities, as well as its tandem switch.
- Virtual NPA-NXX service requested by Sprint is simply a ruse to avoid legitimate retail tariff charges for providing interexchange calling. These charges may be for interstate or intrastate toll services, or for Foreign Exchange (FX) service. These services are not free, but are tariff services for which there is a cost that is

recovered from the end user/consumer purchasing the service. In the case of FX service, the additional cost paid by the consumer purchasing FX service offsets the lost toll and other costs (i.e., transport, etc.) to extend the customer's calling area. The virtual NPA-NXX service is simply an uneconomic and inappropriate mechanism to avoid legitimate IXC or LEC toll or FX charges. In effect, it is uneconomic toll bypass.

- If the Commission allowed this arrangement, calls to Sprint's virtual NPA-NXX numbers would inappropriately appear as local calls, even though they were carried beyond the ILEC's local calling area, or beyond the MTA. Consequently, because the calls incorrectly appear as local (not interexchange toll calls), ILECs would be required to provide free transport (rather than receive access for the transport) and may be required to pay local transiting charges to intermediate carriers, such as SWBT or BellSouth, for the use of their transport facilities. It is a clear example of uneconomic bypass to allow Sprint, as well as other CMRS providers and CLECs, to implement a service that requires ILECs to: (a) Transport interexchange calls (as local calls) to any location in the world designated by Sprint for free, (b) Pay transiting access to all intermediate carriers that transport the calls and (c) Pay reciprocal compensation to Sprint for the privilege of providing this free service. Cellular carriers such as Sprint already collect terminating charges from customers on landline to mobile calls and now, Sprint also wants to collect terminating charges again from ILECs.

- Allowing virtual NPA-NXX service would eliminate toll service provided by IXC's under the Commission's equal access provisions and is at odds with Commission's Orders:

“ As noted above, CMRS providers' license areas are established under federal rules, and in many cases are larger than the local exchange service areas that state commissions have established for incumbent LECs' local service areas. We reiterate that traffic between an incumbent LEC and a CMRS network that originates and terminates within the same MTA (defined based on the parties' locations at the beginning of the call) is subject to transport and termination rates under section 251(b)(5), rather than interstate or intrastate access charges. Under our existing practice, most traffic between LECs and CMRS providers is not subject to interstate access charges unless it is carried by an IXC, with the exception of certain interstate interexchange service provided by CMRS carriers, such as some "roaming" traffic that transits incumbent LECs' switching facilities, which is subject to interstate access charges. Based on our authority under section 251(g) to preserve the current interstate access charge regime, we conclude that the new transport and termination rules should be applied to LECs and CMRS providers so that CMRS providers continue not to pay interstate access charges for traffic that currently is not subject to such charges, and are assessed such charges for traffic that is currently subject to interstate access charges.”¹

This paragraph of the Commission's First Report and Order clearly indicates that IXC toll services are not to be disrupted under the Commission's CMRS reciprocal compensation regime and that access charges, not local reciprocal compensation, are applicable when calls are carried by IXC's. Granting Sprint's petition would, at odds with this Commission Order, replace IXC toll service and access charges with virtual NPA-NXX service and local reciprocal compensation.

- If the Commission were to grant Sprint's petition in this docket, it would result in some LECs, that have their own access tandems, being required to construct, lease and/or otherwise acquire transport facilities between themselves and the RBOC

tandem just to deliver the traffic destined for a Sprint wireless customer. It is also very likely that the RBOC will incur costs on their side of the LEC/RBOC interface for new and/or enhanced facilities to carry the traffic destined for a Sprint wireless customer. In addition, it is very likely that the facilities that are currently used to carry this traffic (the toll/access facilities used by the toll provider and IXC's) would cease to be utilized efficiently.

- If granted, the Sprint petition could adversely impact the implementation schedule and roll-out of Local Number Portability (LNP), and accordingly, Number Pooling in the rural LEC serving areas.
- The Major Trading Area (MTA) boundaries which apply to CMRS traffic do not conform to state or LATA geographic boundaries; nor do they align with LEC/RBOC exchange area boundaries. Therefore, it is very possible that errors in inter versus intraMTA traffic identification would occur if the Sprint petition is granted, and thereby allowing Sprint wireless to mandate the rating and routing of traffic originating from LEC/RBOC exchange areas.
- If allowed, this service is at odds with existing network routing governed by the Local Exchange Routing Guide (LERG). The LERG is the mechanism used by the industry to route calls between switches based on numbers which are appropriately assigned to the switches. The basis for the LERG is that the rating and routing points are the same, and thus, calls originated from a switch in Oklahoma City and routed to a switch in Tulsa are routed and rated as interLATA/intrastate toll calls. Sprint's virtual NPA-NXX proposal would, if

¹ CC Docket No's 96-98 and 95-185, First Report and Order released August 8, 1996, footnotes deleted,

allowed by the Commission, destroy this rating and routing process. Sprint would be able to obtain a set of numbers assigned to the Tulsa switch, and inappropriately have those Tulsa numbers assigned to an Oklahoma City switch. This could also result in inappropriately forcing the LEC and RBOC to route, between their service areas, interMTA traffic destined for a Sprint wireless customer. The LERG would be inappropriately manipulated to route calls to the Tulsa numbers (assigned to the Oklahoma City switch) to Sprint's switch in Tulsa. The effect of this inappropriate manipulation and misuse of the LERG is to force the LECs and RBOCs into routing interexchange toll calls as local calls.

- Provisioning of the virtual NPA-NXX service as proposed by Sprint would require the ILECs to carry (local) calls beyond their exchange boundary without State Commission authority and without agreements with intermediate carriers whose facilities would be used to transport the interexchange ("local") calls.
- The virtual NPA-NXX service provides an anti-competitive benefit to Sprint. Sprint would be able to obtain free calling and actually gain compensation revenue for interexchange landline to wireless calls, while their competitors, the IXC's, must still charge toll charges to their customers for similar interexchange calls in order to recover their costs of providing their landline to landline service. Additionally, IXC toll providers would further be disadvantaged because they would no longer receive toll revenue for any interexchange virtual NPA-NXX calls. This circumstance would provide further disincentives to IXC's from serving rural ILEC exchanges that have lower toll volumes than urban exchanges.

underlining added for emphasis.

- Virtual NPA-NXX service causes an ILEC to: (a) Inappropriately pay a CMRS provider's local compensation for terminating the interexchange IXC toll call as if the call were local; (b) Possibly pay local transiting compensation to an intermediate carrier, such as SWBT or BellSouth; and (c) Lose access charges previously paid by an IXC to originate the call. These additional costs and lost revenues would have to be recovered by the ILEC. Consequently, adoption of virtual NXX service causes ILEC local exchange customers to inappropriately and uneconomically cross-subsidize Sprint's CMRS services.

In response to the questions posed by BellSouth:

1. Sprint is proposing a virtual NPA-NXX service.
- 2 & 3 If Sprint were to be allowed by the Commission to provide the requested service, BellSouth, as well as the affected ILECs, would need to revise their tariffs or revise their interconnection agreements to recover the costs of the service.

There is, however, no reason for the Commission to grant the Sprint Petition and require tariff or interconnection agreement revisions. Instead, for the reasons discussed in these comments, the Commission should reject the virtual NXX proposal of Sprint and its petition. Further, the Commission should make it clear that virtual NPA-NXX arrangements are inappropriate and an uneconomic bypass of the toll network, are at odds with Commission Orders, are a misuse of the LERG, are anticompetitive and harm local exchange customers. As a consequence, the Commission should prohibit this arrangement.

If the Commission agrees with these ILEC comments and adopts this course of action, there is no harm to Sprint or its CMRS customers. Sprint will not suffer from a competitive disadvantage, and it need not, as it alleges, direct connect its facilities to the

ILEC's switch. It may continue to connect its facilities to the tandem that serves the ILEC and use common transport to reach customers in ILEC exchanges. It will, however, be required, as are all LECs, IXC's and CLEC's, to conform to appropriate LERG routing and rating to preserve jurisdictional classifications and the access charge regime.

Respectfully submitted on behalf of the ILECs by,

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